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## Reagan Vows Open Oil Shipping in Gulf But Says U.S. Hasn't Offered to Intervene

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WASHINGTON—President Reagan said that despite his administration's determination to keep the Persian Gulf oil-shipping lanes open, the chances of U.S. troops becoming involved in the gulf war are "very slight."

During his televised news conference last night, Mr. Reagan tried to play down the likelihood of direct U.S. military involvement in the gulf or in Central America. He stressed that despite recent Iranian attacks on Saudi Arabian and Kuwaiti tankers, "we haven't volunteered to intervene nor have we been asked to intervene."

Mr. Reagan also said he didn't see any greater danger of war with the Soviet Union, despite recent harsh Soviet statements and the breakdown of arms-control negotiations.

On the economy, the president said that the Federal Reserve is "right on track" in its control over the nation's money supply. The president's remarks on the Fed's monetary policy were at variance with many of the criticisms of the Fed that had been voiced in the past two weeks by his own spokesman, Larry Speakes, and Treasury Secretary Donald Regan.

The president noted that the money supply figures had dipped to the low end of the Fed's target ranges a couple of weeks ago. But in an apparent reference to the recently reported upsurge in the money figures into the center of the ranges, he declared that the Fed is "back where they should be."

By implicitly commending the Fed for sticking to its target ranges, the president appeared to restore his administration's original principle of slow, steady growth in the money supply. Messrs. Speakes and Regan, who had blasted the Fed's tight grip on credit, used rhetoric that appeared to abandon slow money growth in favor of the supply-side theory that inflation doesn't pose a

threat right now, and that the Fed should try to bring interest rates down.

The rhetoric of the two aides had been aimed in part at getting the Fed to ease its credit clamp. But the president, who had already toned down their criticism last week, suggested that a major easing by the Fed would have a negative effect. The recent dip in the money supply, Mr. Reagan said, "was one of the things that caused some panic out there in the money markets, because in the past, such a dip was then followed by a real loosening of the strings," causing inflation and interest rates to soar.

Earlier in the day, Martin Feldstein, chairman of the Council of Economic Advisers, a strong supporter of the Fed, had declared his confidence that the president won't attack the Fed's independence in an election-year bid to attain a more generous monetary policy. In a speech at the Brookings Institution, Mr. Feldstein said it was "very clear" that the president wished to "disassociate himself from so-called Fed-bashing."

The president was also asked about a statement Monday by Secretary Regan that suggested Congress may have to raise taxes next year. The Treasury secretary had said he wouldn't be surprised if the tax bills were enacted in 1985, one to simplify the tax code and one to raise revenue.

"I haven't had a chance to talk to Don (Mr. Regan) about this," the president said. The Treasury chief simply may have been explaining that the administration's planned tax-simplification effort won't become "a gimmick to raise revenues," Mr. Reagan said. The president then repeated his longstanding position that federal deficits should be shrunk by cutting spending as much as possible, and that taxes should be raised only if a significant budget gap still remains.

In discussing foreign-policy issues, Mr. Reagan adopted a calm tone and tried to dispell worries that the U.S. is heading toward new military confrontations. He seemed eager to rebut what he claimed were Democratic charges and press reports "that I somehow have an itchy finger and am going to blow up the world."

Commenting on the Iran-Iraq war, Mr. Reagan said the U.S. "might" offer military assistance to Saudi Arabia and other Gulf oil producers "if they ask us for help." But he noted: "It seems as if the Gulf states want to take care of this themselves. They're concerned, and I think we all should be, about not enlarging the war." He added that he didn't foresee any unilateral U.S. intervention.

(Saudi Arabia and Kuwait have the air power to stop Gulf tanker attacks, but seem unwilling to use it. Story on Page 35).

In discussing the chill in U.S.-Soviet relations, Mr. Reagan indicated that he doubts the Soviets will return to arms-control negotiations until after the U.S. presidential election in November. The halt in arms-control talks may be a sensitive campaign issue for Mr. Reagan, but last night he repeated his standard arguments that Moscow is to blame for the freeze in relations and that the continuing U.S. military buildup is reducing the risk of war with the Soviet Union.

Mr. Reagan also made a pitch last night for House approval of an emergency military-aid package for Central America. "If the Congress offers too little support it would be worse than doing nothing at all," he said in a statement on Central America at the start of the news conference.

The House is expected to vote soon, perhaps this week, on \$61.8 million in emergency military assistance for El Salvador and \$21 million for the Central Intelligence Agency to fund operations of the "Contra" guerrillas fighting the government in Nicaragua. The Senate already has approved the package, but House conferees refused last week to accept it.